



BRITISH COLUMBIA SYSTEMS CORPORATION

1997 Strategic Plan





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BC SYSTEMS CORPORATION

1997 STRATEGIC PLAN

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BC SYSTEMS' STRATEGIC PLANNING PROCESS

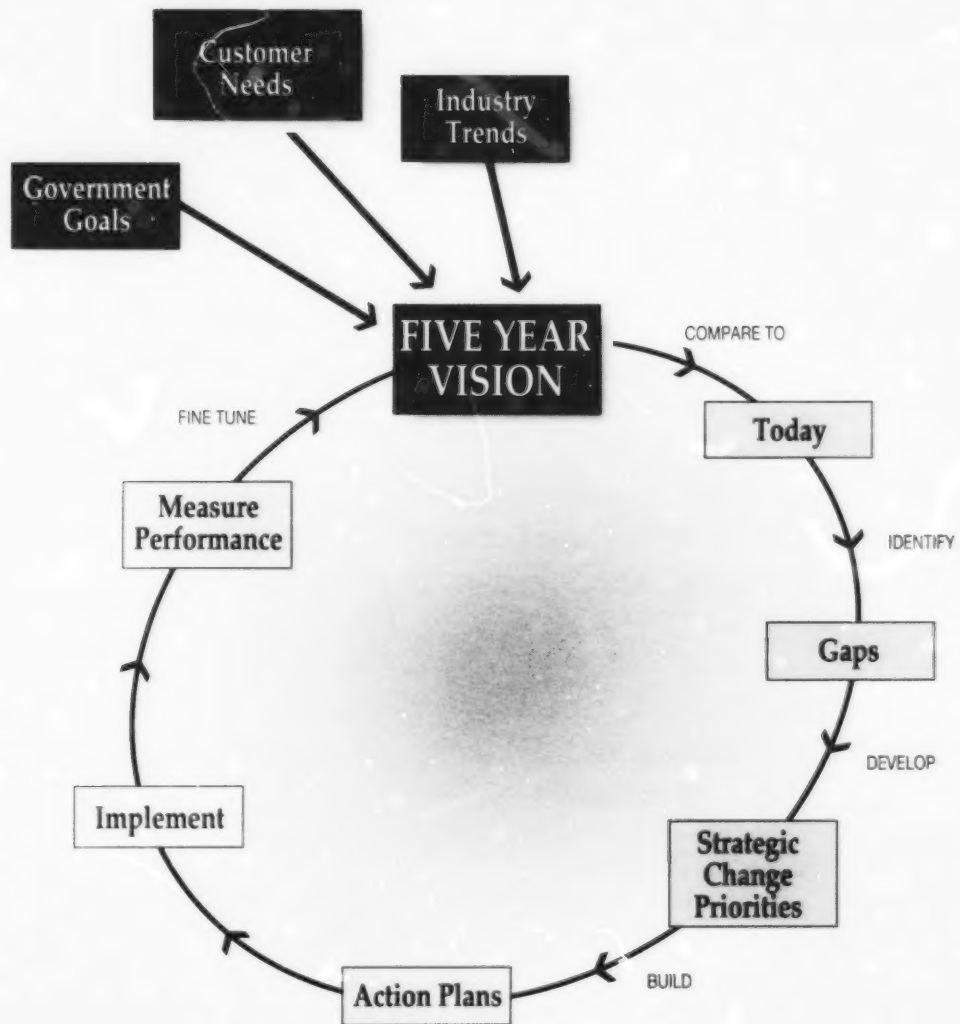


Figure One

STRATEGIC PLANNING GOALS

The environment in which we live and work is constantly changing. In responding to these changes, the Corporation and its clients will face many choices in allocating scarce resources. In order to continue to be successful, we must make these choices in the context of a well thought out, well understood plan. This is what BC Systems' strategic planning process is all about. Specifically our strategic planning goals are:

- To develop and build a consensus on a future vision for BC Systems
- To determine what has to be done to achieve the vision
- To develop a plan to serve as a meaningful decision-making framework for all employees; and
- To provide direction for the development of operational plans and budgets, so that we can better focus our efforts.

STRATEGIC PLANNING PROCESS

Our approach in developing the strategic plan has been to develop a future vision for BC Systems based on customer needs, Government goals and industry trends. We then identified the gaps between where we are today and this 5 year vision. From this, strategic change priorities were identified. Specific action plans and budgets for 1992/93 have been developed to address these strategic change priorities. In the future, we will continue to use this process to update both our 5 year vision and our priorities for the upcoming fiscal year. Figure One illustrates the strategic planning process.

MANDATE OF THE CABINET COMMITTEE ON CROWN CORPORATIONS

The mandate of the Cabinet Committee on Crown Corporations is an important consideration in BC Systems' planning and ongoing business activities. The mandate of the committee is:

- To ensure that the Crowns become greater generators of wealth and economic development for the provincial economy
- To identify current problems with the Crowns
- To review the strategic and tactical plans of the Crowns; and
- To provide a coordinating mechanism for the integration of the plans and objectives of the Crowns.

1997 VISION

Mandate

BC Systems Corporation was established in 1977 by the enactment of the *System Act*.

The Corporation has a mandate to:

- Ensure that the data processing and telecommunications infrastructure is in place to meet the Government's requirements
- Develop and implement an effective delivery and support mechanism for information management technologies of strategic or government-wide importance

- Deliver exceptional customer service and the best possible value for money in providing service to the Government
- Provide coordination with respect to the development of government information management policies, in conjunction with a Deputy Minister's Steering Committee.

Business Mission

BC Systems Corporation is a public sector enterprise whose business mission is:

- To provide information technology solutions which assist public sector organizations in B.C. to maintain and fundamentally improve the quality of service to the public.

The Corporation does this by:

- Developing an understanding and appreciation of its customers' business needs
- Responding to these needs by providing services which build on and integrate the expertise of its people, and its information processing, telecommunications and data storage capabilities.

Corporate Values *

At BC Systems we value:

- Teamwork
- Freedom to Act
- Integrity
- A Satisfying Work Environment

Business Principles*

At BC Systems we are committed to:

- Exceptional Customer Service
- Good Value for Money
- High Quality
- Environmental and Community Responsibility
- Sound Business Practices

Market Scope and Customer Definition

BC Systems' primary customer base is public sector organizations in British Columbia, with particular emphasis on Provincial Government Ministries, Crown Corporations, Agencies, Authorities, Commissions and Boards.

The focus is on government programs and the customers of government programs which could be businesses, the general public or other publicly funded institutions such as hospitals and schools.

We believe that we can best serve our customers by considering their common needs as members of specialized groups. These groups are defined to be:

- Business, Commercial and Retail
- Education and Training
- Environment, Renewable and Nonrenewable Resources
- Financial and Administration
- Health Care
- Legal and Justice
- Social Services
- Transportation and Communication

* see Appendix I for definitions

Customer Needs

The Government's priorities are to foster the economic and social well being of the people of British Columbia and to meet the public's expectation for service by:

- focusing on quality of service
- developing a flexible and responsive administrative structure
- containing costs within its means and reducing costs wherever possible.

The Government's vision is to be a public sector leader in the effective management and use of corporate information resources and technology such that:

- each ministry is supported by excellent cost-effective information systems
- information systems can be readily linked to related systems for corporate initiatives
- BC is a leader in innovative information technology to:
 - facilitate access to government
 - improve government operations
 - foster economic and social development.

The Government is continually under pressure to improve the economy, to increase public services, to reduce costs and to find means to raise revenues other than by taxation. One of the ways our customers respond to such pressures is through the use of information technology. In particular they now, and increasingly in the future will develop and implement:

- systems that speed up business process by orders of magnitude by cutting out intermediaries and using the power of our networks to serve thousands of users

- wide area systems, involving many data collection or dissemination points - every phone and workstation becomes a data access device
- systems that use data repositories
- systems which require multiple technologies including our networks and data centres and use our systems integration skills and capability to manage risk
- systems that use new technologies that our technology infrastructure and skilled staff enable us to pioneer
- systems that reduce internal administration costs. Among these are likely to be:
 - workstation-centric systems that amplify human capabilities enabling individuals to manage complex tasks. These systems support the local working group and also bring to the user's desktop not only the power of government computers and data bases but also integrate international networks, such as Internet which includes thousands of computers and millions of users.
 - systems that serve the telecommuter with network access, voice messaging, file transfer and fax from the home or mobile intelligent workstation.
- systems that add value to services for residents of British Columbia. We can therefore expect the continuing growth of the BC OnLine service.

Through redesigning business processes and leveraging technology, our customers' initiatives have far-reaching impacts on the provincial economy, reducing the costs of government, business and to the general public.

BC Systems is uniquely able to support these customers in such initiatives by deploying its core competencies and operational capabilities to meet the above systems opportunities.

Technology Trends and Implications

Technology Trends

Among the most significant technological trends which will influence the services that BC Systems provides over the next few years are: client/server computing; adoption of Open Systems; new technologies; and the rapidly declining costs of hardware and long distance communications.

- "Client/server" computing describes a variety of relationships between processes running across computer networks. One manifestation of client/server computing is that every workstation/host (client) will have at its command any number of processors (servers), small or large, dedicated or shared, that perform specialized services on demand. In this 'client-centric' environment, a user will be able to request service, whether it be data access, program execution, printing, etc., from any computer in the world.

Many of the services demanded by the user will be supplied by the local area network, e.g. local e-mail, stand alone program development, printing, word processing. Others, such as information access will be available from shared servers outside the LAN and may be invoked even without the user being aware of it (cooperative processing.)

With client/server computing, a new method of work becomes possible which, combined with new technologies, greatly amplifies human capabilities for managing complexity and increasing personal productivity.

- Open Systems imply systems that conform to widely accepted standards and that have published specifications and generally have more than one source of supply. Open Systems foster vendor competition which drives down the costs of hardware and increases the variety of software available. There are no completely open systems, only (increasing) degrees of openness. Open Systems make client/server.

computing more powerful since the workstation has easier access to a greater number of remote resources.

- **New technologies** now becoming available will be well developed and better able to satisfy customer needs. Among those with high potential to improve business processes and influence the way people work are multi-media, wireless personal telephones and computers, interactive voice response (IVR), interactive video, imaging, cooperative processing and massively parallel computing. BC Systems will have pursued the development of a number of new and existing technologies to improve their usefulness to our customers.

These technologies will be complemented by new methods for the specification, development, implementation and maintenance of computer software including computer aided systems engineering, object oriented analysis and programming techniques, knowledge based systems and visual programming tools.

- **The economics of networks, processing and storage** are still changing. The advances in fibre optics and a more competitive telecommunications environment make it possible to carry enormous, and ever-increasing amounts of traffic over longer distances for much lower unit costs. The challenge will shift to managing the rising costs of local communications. Hardware costs will fall very quickly, particularly for microprocessor-based machines and local servers. New uses will be found for this increase in computing power, particularly oriented towards simplifying the person/machine interface. Software and services will consume a much larger share of customers' budgets.

Implications of technology trends

These technology trends have implications in the IT infrastructure that we support, the human resources skills that we need and the way we price our services.

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The infrastructure that we provide must recognize that changes in technology will impact the way our customers work and the services that they expect us to provide for them.

- We must support the whole spectrum of networks and integrated computing from the client (desktop computer) at the LAN level to the server (host) on the WAN to inter-enterprise networks.
- We must determine those processes that are most suited to centralized management and create specialized servers for them.
- Interfaces, protocols and operating systems must conform to increasingly open systems architectures. Future systems will be so complex and varied that they cannot be put together with the products of one vendor. Our designers must be assured that the building blocks of new systems will fit together. Yet it is not financially feasible to migrate our clients' total existing investments in the foundation systems of MVS, VM and VAX to some other operating system. We need to preserve these investments where effective, enhance their value where possible and evolve them in an orderly fashion to more open, interoperable systems.

Among the human resources implications for BC Systems is the need to continually upgrade the skills of business consultants, technology specialists and providers of ongoing operational services.

- We will need IT business consultants who can recognize where new information technologies can assist and make customers aware of the potential of new technologies that can improve their operations. Our consultants will be able to: understand our customers' business opportunities; proactively identify systems needs; and translate business requirements to technical specifications.
- The number and variety of technology experts will increase. We need these experts to design and build new services combining a wider variety of technologies than today. Computer vendors who formerly

looked after the systems integration role using their own products, will have transferred this role to specialized systems integrators who will charge for a customized value added service. BC Systems will be one such supplier of systems integration services.

- We will need **specialists in ongoing service provision**. We need to provide complete services. Any processing we offer must be enhanced in some way by adding software, valuable data or an integrated service and it must be readily accessible from the desktop. If our services are not attractive, the customer can very easily buy from someone else whose services will be just as accessible. Since processing will be seen by clients to cost very little, it will be difficult to stay in business by offering raw processing power alone as a service. The provision of responsive network services will be increasingly important as customer requirements become more dynamic.

We also need to price our services differently.

- We will package and price our services in a way that makes it easy for our customers to determine cost reductions for themselves. It is likely that processing pricing will move from resource-units-used towards service subscriptions (a single monthly price for service per user, as in today's fixed price e-mail or network access) or to a per-business-transaction basis, as in BC OnLine. (Today our processing cycles are expensively enhanced with a large range of software, yet we are still perceived to sell data processing cycles, data storage and basic network services - a perception we ourselves reinforce by pricing our services in this way.)
- We will tackle wide ranging cost reduction for our customers by providing integrated solutions for redesigned business processes at a packaged price.
- We will continue to drive down the price of our networks, mainframe computing and storage by efficient use of personnel, knowledgeable hardware purchasing of efficient technology and careful management of increasingly expensive software and local communications.

So, in summary, we can expect: the evolution of our mainframe based foundation systems towards an integrated client/server environment; an increase in both business consultants and the variety of technology specialists; and a shift to value-based pricing and customized solutions. At the centre of this evolving IT environment will be a dynamic telecommunications system providing the connectivity and information transport.

Core Competencies

It is important that the Corporation be strong in all functional areas (technical infrastructure, marketing, finance, human resources, etc.) but we derive our unique strengths from the development over many years of "core competencies" in response to customer needs. Our possession of special skills in these competencies will be widely recognized in the future both by our customers and by others, nationally and internationally. Clearly understanding our core competencies allows us to:

- use them to improve our current products and services
- make decisions on whether we have unique advantages in providing new products or entering new markets
- identify where we need to further develop existing competencies to improve product and service delivery.

We must stay on the leading edge in the disciplines that make up our core competencies so that we can use them to build products and services that are very difficult for others to match and so make ourselves uniquely useful to our customers. These products and services will probably be oriented towards: accessibility of data in BC Systems' custody; or transaction processing between government and business or the professions (as in Teleplan.); or managing the complexities of information technology.

The core competencies that we will build or further develop include:

- **Telecommunications** - including acquiring, integrating and managing telecommunications hardware, software and carrier facilities for telecommunications networks of all types. Networks are the most

important strategic asset we operate for our customers. No systems user today can function without a network connection. No matter how fast, functional and widespread our networks are, user demand will continue to drive us forward for the foreseeable future.

- **Large-scale data centre operation** - with particular reference to multi-user on-line systems. Mainframes can perform functions such as wide area servers, manipulation of giant data bases, simultaneous handling of thousands of users that simply cannot be done effectively with collections of desktop computers. These functions are likely to be much in demand for the wide area, multi-organization systems that have a significant impact on business processes.
- **Intelligent workstations** - including package development and user interface design. Information processing is clearly heading towards an architecture that comprises local area networks of desktop computers with access to large-scale mainframes. We need to support today's major IWS technologies and such standards which emerge in the future. By covering the major IWS architectures our customers benefit from maximum competition, flexibility and manufacturer support. We need support teams in each architecture and have them work closely with those who are working with cooperative processing products on our mainframes.
- **Data base** - including the design, management and support of large scale, distributed data. As business processes are streamlined, we will see more data bases constructed that allow source data to be collected only once and made available to a variety of users to manipulate and achieve results, without human intervention. Coupled with cooperative processing and copy management techniques and the ability to store an increasing variety of information objects, large data repositories for government, managed by BC systems are vital for customer operations.
- **Systems integration.** Many of the opportunities we see today to implement cost-effective systems require systems integration skills,

and these opportunities will increase in the future. This increased demand for systems integration is not surprising in that:

- the technologies will be more complex than ever and come from a variety of sources
 - a more diverse and often wide-ranging user base needs to be served with a single implementation
 - technology advances allow for integration of previously independent systems
 - these systems are high payoff but also high risk requiring an integrator to guarantee system viability.
- **Leveraging technology for business improvement:** Our customers will continue to be faced with an ever-increasing range and variety of technical options. As trusted advisors to our customers, we must continue enhancing our competencies in understanding our customers' business processes, critically assessing existing and emerging technologies, and determining best fit solutions to maximize customers' business effectiveness.

Services Mix

Services Principles

Building on our operations capability and our core competencies, our services mix is driven by a thorough understanding and consideration of customer needs. We demonstrate leadership in considering new products and services that could serve these needs.

No new offerings are launched unless they meet our high quality and service standards, both in terms of the services themselves and the way in which they are provided and supported.

We build new services that extend and complement our existing services and extend our capability to serve our customers. Recognizing the huge investment that our clients have in applications that run on our existing foundation systems

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(MVS, VM and VAX), we continue to enhance and evolve these foundation systems and increase their interoperability through a single, multi protocol data network. We introduce new operating systems (such as UNIX) as justified to serve new customers or render new services. We enhance our voice technologies to allow more responsive service and customization.

We do not hold on to obsolescent technologies and always make an effort to minimize the impact on customers when replacing old services with new offerings. We recognize that, over the next few years, no significant network or mainframe operating system or subsystem is likely to be discontinued. Our customers expect evolution strategies for foundation systems to move them towards more open systems.

Customers and Services Model



The *Customers and Services Model* illustrates our strategy for delivering services over the next few years.

- The outer ring of the diagram shows the customer groups that we will treat as special sectors with common needs. (These groups are as specified in the *Market Scope and Customer Definition* section.) For these groups of customers, we will tailor our services to meet the particular needs of each group by identifying what needs to be done to provide IT assistance to the group as a whole or to individual clients, specifying what has to be built and putting together business solutions.
- The integrated services ring in the diagram shows the various generic services that we will adapt to serve the individual customer groups. We continually design and build new services and new applications in response to identified customer needs.
- The infrastructure ring (centre) includes the knowledge and skills of our people as well as the Information Technology (IT) Infrastructure. The IT Infrastructure is the architected foundation of networks and servers on which we will build and deliver many of our services.

Services Provision to Customer Groups

Our service bureau operation delivers services to a wide range of buyers:

- sophisticated buyers who want computer cycles, storage or people, i.e. they buy infrastructure
- systems integrators and end users buying integrated services
- end users buying complete solutions to generic or market specific business problems (e.g. government-wide applications such as financial systems, or sector-specific systems like Teleplan for customers in the health field).

We supply services that make a fundamental difference to the way our customers operate.

- We provide efficient and cost-effective services and technologies that support the redesign of existing business processes and result in substantial positive impacts on the provincial economy.
- We are masters at implementing and supporting province-wide systems serving the business processes of thousands of users through our telecommunications and data processing services infrastructure.
- We can expect that new customer groups or special markets will emerge during the course of the five-year plan. We will respond to these opportunities as they arise.

Integrated Services

Most of the products and services that we offer involve integration of people's skills along with various processing and networking technologies. Our services are currently classified under six categories.

- **Management Services:** a range of services which includes management of individual customer functions or projects up to the management of a customer's entire IT program. Specific services include provision of CIO's (Chief Information Officers) along with management and staff teams, planning management services and systems integration services.
- **Workplace Support Services:** provides a full range of support services related to customers' workplace technology environment from initial design to ongoing support, including connectivity to other workplaces and other service offerings.
- **Applications Support Services:** provides a complete, supported hardware/software environment ranging from dedicated desktop machines to cooperative processors to mainframe computers for customers to use in developing and operating both packaged and custom

developed computer applications, complemented by a suite of related professional support services.

Development tools are provided not only for applications development professionals but also for 'super users' - computer literate end users who wish to create their own applications.

Because new applications will be so involved with a range of leading-edge technologies in which we are experts, we can expect that BC Systems will become more involved in applications development in coming years.

- **Information Storage and Management Services:** includes a complete package of services focussed on managing customers' electronic information.
- **Telecommunications Services:** provides the utility-like means whereby customers may connect to and transport information electronically between themselves and a variety of other workplaces and host computers, utilizing a variety of input/output devices including telephones.
- **Retail Support Services:** a range of services through which we assist our customers in providing information and other services to other public sector organizations, businesses and the general public.

In addition to the six categories above, we also offer **Information Access Services.**

- IAS's flexible, open technology platform allows rapid delivery of new products and services, through a variety of open standard access technologies, including modem-equipped workstations, phone/interactive voice response, fax out, and retail kiosk-style touchscreens for public access.

- BC Online has become the public sector's information utility, a comprehensive electronic resource for information access and information exchange with businesses and individuals, including:
 - any information to any authorized customer, any time, any place
 - two-way communications and transaction facilitation for payment of fees and purchase of licenses; registrations and filings; E-mail and EDI.

All services have been designed to save government, businesses and individuals time and money.

- A full suite of integrated services is available to support the public sector in its compliance with the spirit and intent of Freedom of Information legislation.

Our integrated product and service offerings frequently include teams of experts throughout BC Systems' organization to assist the customer with implementation and ongoing support. In many cases, where BC Systems fully possesses the expertise, we provide such teams. It is quite common for us to enter alliances with private firms as part of the service offerings where we do not have expertise, or where it makes good business sense to do so.

Professional Services

Professional service offerings have further evolved in accordance with customer needs and government policy.

- Professional service teams are provided through multi-year integrated service agreements which are increasingly customized to focus on achieving defined business missions and customer systems objectives. Within these broad approaches to packaging our professional services, we make available a selection of management services and specialized teams, offering our customers varying degrees of integration of the expertise of our people with our processing and telecommunications capabilities.

- Our customers frequently look to our industry-focused business consultants who are constantly on the look-out for new information technology applications offering opportunities to achieve breakthrough gains in business process effectiveness through leveraging technology. We have a track record for this expertise in the health care, education, transportation, financial, retail, renewable and nonrenewal resources, and government administrative sectors.
- Customers have established a Chief Information Officer (CIO) position in their organizations. Where our Management Services are used for these senior positions (CIO/ISB Director) we routinely provide a full team of business and technical personnel to meet the organization's systems staffing needs. Customers emphasize the added value these teams bring as trusted advisors, maintaining indepth understanding of customer's business processes coupled with the ability to critically assess the increasing range of existing and emerging technologies and select solutions that maximize customers' business effectiveness.
- We have proven strength as systems integrators and are frequently called upon to manage our customer's most technologically complex systems initiatives through our multi-disciplinary integrated teams. Our reputation for successfully managing the high risks inherent in these projects to achieve high payoffs for our customers is well recognized throughout the public sector and the industry.
- We are very selective in providing seconded staff where we do not provide a Management Services team including CIO/Director and prefer to refer such customers to our mission-based Integrated Services.
- Quality assurance in our Integrated and Seconded Service offerings is a priority for both our customers and ourselves. We achieve this standard of quality by always having a BC Systems manager accountable for focusing our support consistent with our expertise and our delivery capabilities and maintaining a proactive skills planning and inventory process to ensure the abilities of our professionals are evolving with changing customer needs.

- We are able to provide a range of Management, Workplace and Application Support services to public sector offices throughout the province through our regionally located teams and private sector partners.

Technology Infrastructure Strategies

Our Capabilities

Our IT knowledge and skills and our IT infrastructure of networks and servers are the primary capabilities on which all BC Systems services are based. We also have a strengthened financial capability that enables our government customers to more easily implement multi-year IT initiatives.

- Our people and professional services remain the key to our success, devising new network and processing services and supporting customers in any information service they require, whether or not it is provided by the Corporation.
- The network is the most important differentiator between ourselves and other suppliers. It remains a critical resource and an important strategic asset to the Province.
- Our data centres, with their foundation systems of MVS, VM and VAX complemented by a UNIX service offering, are now cast in the role of very large servers. They have become more diversified and offer services to a much wider range of users than before, touching all sectors of the economy.
- Our capability to finance systems initiatives over fiscal year boundaries has been developed to the extent that we can readily cost out multi-year, multi-technology initiatives and quickly devise flexible financial arrangements, tailored to our customers needs.

We continue to make wise investments in improving our assets and capabilities to give our customers a unique edge in fulfilling their business needs which is difficult for other suppliers to match. Now our investments recognize the trend to client/server computing and the changing economics of information technology. This means that we will focus on supporting individual workstations by pursuing the following infrastructure strategies for intelligent workstations, networks and servers.

Intelligent Workstations

- Workstations are integrated into our foundation services. A vast array of intelligent workstations, which are now used by nearly all our customers' employees is well supported and integrated into our foundation services via the wide area network. These workstations include mobile and pen-based portable computers as well as traditional office desktop personal computers in the office and at home. We are integration and cooperative processing experts who can make any multi-media data and computing service (government-wide and worldwide) available as an extension of the workstation environment.
- Our centralized systems management techniques have contributed to the cost reduction in workstation support. We have provided backup and workstation recovery, remote server management, software distribution, copy management, secure and accessible data resources, etc.
- Our services include licensing, distribution and support of a rich set of application packages, including software developed by BC Systems that makes it easy to access our mainframe servers.

All of this software is based on graphical user interfaces, which have become the standard for service delivery.

Networks

We have improved the 'reach' and 'range' of the network and rationalized network services.

- We have extended the reach of our network such that it now serves the majority of government-funded institutions in the Province and the general public with improved bandwidth and universal access. As in the case for telephone and fax communications, we make available worldwide communications gateways as an extension to our foundation systems and the personal computing environment.
 - Over the planning period, local area networks have been steadily interconnected with wide area networks.
 - High speed metropolitan area networks have been implemented in some major centres in response to customer needs. These are used to interconnect the multitude of local area networks, which now exist at nearly every customer site, to our regional network centres.
- BC Systems is recognized as having effected the transition to open networks that can support a wide range of accepted standards.
 - Our previously separate data networks - SNA and DNET - have been replaced by a single, open, multi protocol network supporting internationally accepted networking standards (e.g. SNA, X.25, FDDI, Ethernet, Token Ring, TCP/IP, etc.)
- Our voice service contains switching platforms that allow responsive changes controlled by customers, as well as being interconnected with ISDN services. These switches interface with external voice application processors providing enhanced services such as IVR and voice messaging.
- Our integrated high-speed backbone network carries all kinds of information objects including simple transactions, messages, files, images, voice and video.

Servers

We have improved the openness of the computing infrastructure and extended its range.

- We have augmented the openness of our MVS, VM and VAX computing services by adding POSIX compliance and UNIX support and the ability to communicate 'any-to-any' for all recognized computing environments. We provide full support for new customers who operate with selected proprietary and non-proprietary computing architectures. We have evolved today's proprietary architectures, running customers' critical applications, into more open architectures. We have provided interoperability bridges to enable the non-proprietary systems to transmit and receive data from our foundation systems.
- Complementing the improved reach of the BC Systems' network, we have extended the range of the computing infrastructure, i.e. its ability to provide services and deal with any other type of hardware and software reachable by the network.
 - We continue to be the leading edge provider of large, cost-effective, multi-user, secure, non-stop on-line systems.
 - Our central processing complex is viewed as the primary repository of critical government data. While much of this data is processed at the central complex, a significant portion of the activity involves distribution of selected data to other processing environments for further analysis and manipulation. We have implemented automated processes such that the customer need only request the data required without concern for where it is actually stored.
 - We supply a range of general purpose servers with high added value such as data repositories, wide area transaction servers, powerful batch processors and information directories.

- We provide specialized services for common interest groups, such as particular business or scientific sectors, and public organizations such as educational and health institutions.
- Distributed foundation servers located in strategic locations throughout the Province provide security and data integrity for a wide range of client workstations.
- From central locations, we support and manage servers through the network with services such as software updates, trouble shooting and professional advice.

In summary, very little of our technology infrastructure today has been discontinued, but much has been added. Our MVS, VM and VAX systems have evolved into more open architectures. Our two data networks have evolved into a single multi protocol network supporting the client/server environment. Our voice network has added enhanced voice processing applications and improved the service levels for administrative changes. Our focus has changed to the customer-centric view from either the desktop or the field, while ensuring that the value added services we provide are in demand and easily accessible by all our customers.

Marketing and Sales Strategies

All products and services are researched, developed, priced, implemented, marketed, monitored, managed and retired in accordance with a fully developed methodology which is understood and followed throughout the Corporation.

Well-resourced customer-oriented and industry-oriented teams (Customer Business Support Teams) have been established. These teams, which are led by Account Directors, work with customers on a consultative basis to understand their business and to develop proposals showing how BC Systems can help them meet their objectives. They take a long-term view and tailor solutions to specific customer needs. The service delivery divisions are formally represented on these teams which work with customers on a non-billable basis.

Pricing

Our policy continues to be one of passing cost savings on to customers, while at the same time showing a sufficient return to enable us to further invest in the infrastructure necessary to serve them. In striking this balance, we are sensitive to the fact that the Corporation and its customers operate in an environment characterized by a scarcity of resources.

The majority of our revenues are earned through agreements under which we achieve specified results for a customer or through pricing based on business transactions, rather than through pricing based on individual technology or professional resources used.

We have also established an estimating and quotation process such that financial risks to be assumed by both BC Systems and our customers are well defined before development and implementation of new applications commences.

Relationships

Customers

Our customers understand our mission and mandate, and are aware of the services we offer. Specialists within the customer organization are up to date on our services, understand how use of our services can benefit their organization, and how to do business with us. They believe that our pricing is reasonable and delivers value for money, and that our selection of services is based on their needs and industry standards.

Employees

We are a preferred employer. We provide a rewarding, stimulating and equitable work environment offering excellent professional development opportunities in a climate characterized by managerial excellence and professional challenge.

Shareholder

For our shareholder, the Government of B.C., we contribute to the infrastructure and are an internal service agency. We provide value for taxpayers' money, satisfy customer needs, have public support and contribute to the economic development of B.C. industry. We return a dividend as business activities permit.

Cabinet/Treasury Board

To Cabinet and Treasury Board, we provide value for money and contribute to the efficiency and effectiveness of government. We are a preferred supplier and provide excellent business solutions.

Cabinet Committee on Crown Corporations

To the Cabinet Committee on Crown Corporations, we are a strong team player and an effective generator of wealth and economic development.

Information Technology Industry

BC Systems is widely recognized as a leader in promoting the application of new technology and information management practices. We encourage and promote the development of the British Columbia information technology industry. We are often business partners in joint ventures to meet customer needs and to market private sector and government applications. We are rarely business competitors with the private sector.

B.C. Business Community

To B.C.'s business community, we are a contributor to B.C.'s economic development and well-being. We are recognized as a responsible, well managed enterprise which provides leadership to both the public and private sectors. We are at the forefront of using information technology as a means of bringing government information directly to the private sector. We look for and create new opportunities for B.C. business to demonstrate its competitive capabilities.

Suppliers

To our suppliers we are informed buyers, and also partners who combine our strengths with theirs in ways that improve the delivery of our products and promote sustainable economic development in B.C. Our purchasing practices meet the test of public scrutiny. We are persistent in making our suppliers aware of our purchasing policies and practices.

Citizens of B.C.

To the citizens of B.C., we provide good value for tax dollars through enhanced government services to the public. We contribute to the provincial economy through our support of government programs and the information technology industry. We employ and develop B.C. citizens. As a good corporate citizen, we contribute to the social well-being of the province and in so doing maintain a good community profile.

People

Recognizing the fundamental importance of its people and the keen competition among employers for skilled workers, the Corporation:

- has established itself as a preferred employer
- matches demand for and supply of human resources effectively and on a timely basis
- provides employees with options to achieve a balanced lifestyle
- has employees challenged and satisfied with their work environment
- is committed to employment equity and manages its diverse workforce with respect and concern for the individual
- provides clear direction for its employees, and recognizes work which contributes to the achievement of Corporate goals, values and business principles

- has employees who confidently exercise their freedom to act in support of the corporate mission
- has training and development programs which keep employees sufficiently prepared to perform effectively and meet new business challenges. In return, the Corporation expects a very high level of professional excellence and performance from its people.

Organization Design

In response to changing employee and customer expectations and marketplace dynamics, internal structures and processes have changed in the following ways:

- a general management framework based on values, policies and guidelines is balanced with necessary controls
- an organization structure that has a lower ratio of managers to employees
- team structures are used more frequently for the delivery of services; hierarchical structures serve to designate responsibility and accountability
- "management" has been redefined to emphasize leadership, team building, coaching, facilitating, less direct supervision and more employee empowerment
- our Performance Planning and Review process ensures individual employee's work objectives contribute directly to the achievement of the Corporation's business mission, values and business principles
- flexibility in job design and expectations allows greater adaptability to new business challenges.

Corporate Information

Our internal systems ensure employees have information which is easily accessible, accurate, complete, timely and available in an easy to use form to enable them to function most effectively and productively.

These systems will be flexible, and responsive to new products, services and other Corporate business activities.

Wherever practical, we use the products we market to our customers.

VISION MEASURES

Measures of the following key elements of our 1997 Vision have been developed and are used to regularly monitor progress in achieving the vision.

Customer Satisfaction Measures

- Customer Service
- Value for Money
- Product and Service Quality
- Product and Service Mix
- Service Delivery Relationships
- Fundamentally Improving the Way Government Serves the Public

Technology Measures

- Performance of infrastructure
- Achievement against infrastructure plan

People Measures

- Empowerment
- Satisfying Work Environment
- Teamwork
- Quality and Skills Mix of Human Resources

Business Measures

- Profitability
- Liquidity
- Cash flow
- Ability to forecast product and service demand
- Protection of Assets

STRATEGIC CHANGE MANAGEMENT

With the 1997 Vision clearly in focus and the strategic change priorities being monitored through vision measures, BC Systems is well on its way to successful strategic change management. The process is meant to minimize the impact of change while ensuring that the vision becomes reality.

Division and Branch plans for 1992/93 have been developed using an iterative process in which employees at all levels participate by:

- determining what they and their Branch can contribute to the achievement of each Corporate priority
- combining those Branch activities into Divisional objectives and setting priorities
- building Branch operational plans and budgets based on Divisional priorities
- setting appropriate individual objectives.

Divisional plans for 1992/93 were shared with all responsibility centre managers in order to discuss and verify the assumptions and details so that the activities of all units could be better coordinated and integrated.

From this, the 1992/93 corporate business plan was prepared. The business plan summarizes the Corporation's ongoing and new action priorities for 1992/93 consistent with this broad Strategic Plan and formed the basis for developing 1992/93 operating budgets. Wider distribution of the corporate business plan is meant to increase understanding between employees and improve teamwork.

A Change Management Steering Committee composed of the Strategic Planning Directors and Executive continues to monitor progress toward the Corporation's vision. At its quarterly meetings, the Committee reviews the status of the change priorities for the current year, ensures they are up-to-date and continue to reflect current priorities.

Regular reporting of the progress of the change management process to employees will highlight actions being taken to achieve corporate priorities, progress toward the vision measure targets and the issues behind the choice of new strategic priorities.

CONTINGENCIES

We recognize that a complete strategic plan contains provisions for unforeseen circumstances. Rather than create a formal contingency plan document, the decision was to build flexibility into our ongoing strategic planning and management processes. We will continue to obtain input from employees, customers and other stakeholders in order to monitor the progress of the current strategic change projects and "course correct" where necessary.

Staying well connected and well informed will ensure that we are capable of responding quickly and efficiently to changing priorities.

In addition, there are specific strategic change projects underway such as the Second Site Feasibility study and BC Systems' Business Continuity plan which deal with specific business contingencies.

APPENDIX I

CORPORATE VALUES

Teamwork

- Teamwork is vital to the achievement of corporate goals.
- We take pride in combining individual strengths from across the organization to achieve group success.
- We recognize and reward teamwork.
- We respect and cooperate with others through open and honest communication.

Freedom to Act

- Employees are empowered to act, and confidently do.
- We have the authority and take personal responsibility for solving customer problems.

Integrity

- Our actions support and reinforce what we say.
- We conduct ourselves honestly and ethically.

A Satisfying Work Environment

- We are committed to creating a rewarding, stimulating and equitable work environment where everyone has the opportunity to participate, learn, grow, prosper and develop his/her full potential.

BUSINESS PRINCIPLES

Exceptional Customer Service

- We serve customers in a professional manner with a friendly, caring attitude.
- We listen to customers to understand their current and future business needs. We are flexible in responding to their needs and aim to exceed their expectations.
- We quickly correct mistakes to the customer's satisfaction.

Good Value for Money

- We deliver the best value for our customers' money.
- We practice economy to get value for the money we spend.
- We add value through excellent customer support, enhanced service and reliable, broadly accessible systems.

High Quality

- We strive for quality in everything we do.
- We maintain managerial and technical excellence and leadership.
- We foster innovation and learn from our mistakes.

Environmental and Community Responsibility

- We act in an environmentally responsible manner in the conduct of our business.
- We encourage, and contribute to, the development of the information technology industry.
- As a good corporate citizen, we value our community and contribute to its well-being.

Sound Business Practices

- We are open to competition and must ensure that our prices and services are competitive.
- We believe in commercial relationships with our customers captured in appropriate contractual form.
- We strive for financial performance sufficient to maintain and grow the business and generate an appropriate return for our shareholder.

BC SYSTEMS' CHANGE MANAGEMENT PROCESS

